



California
Department of
Health Services

SANDRA SHEWRY
Director

State of California—Health and Human Services Agency
Department of Health Services



ARNOLD SCHWARZENEGGER
Governor

August 3, 2004

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 03-34E
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: ERRATA TO ALL COUNTY WELFARE DIRECTORS LETTER 03-34 ON
CHANGES IN THE INCOME DISREGARD (200 PERCENT) PROGRAM
FOR PREGNANT MINORS

This All County Welfare Directors Letter (ACWDL) is an Errata to ACWDL 03-34 that was dated June 19, 2003. The purpose of 03-34E is to correct some examples in ACWDL 03-34 that contained mathematical and budget unit errors. Since this Errata applies to a June 2003 letter, all the examples have been corrected to use the 2003 Federal Poverty Levels (FPL) that were effective April 2003. Therefore, ACWDL 03-34 is voided and replaced by 03-34E.

This letter addresses the Income Disregard program as it applies to pregnant minors whose applications for Medi-Cal are made on their behalf by a parent or caretaker relative. It does not address the Minor Consent program for pregnant minor women. That program remains unchanged and minors wishing their pregnancy services to be confidential are to be evaluated under Minor Consent program rules.

As specified in ACWDL 03-34, effective June 19, 2003, all income from a parent or parents of a pregnant minor who live together in the home is disregarded when determining eligibility for the Income Disregard (200 Percent) program if the pregnant minor is not eligible for zero share of cost using regular rules. This includes a pregnant minor who is between the age of 18 and 21 and claimed as a tax dependent by her parents even though she does not live in the home of her parents. Under this new disregard provision, only the net nonexempt income of the pregnant minor and her spouse (if married) will be counted in the determination. All other program rules for the Income Disregard Program described in the Medi-Cal Eligibility Procedures Manual Articles 5K, 8F, and 8G still apply when determining eligibility under this revision.

Although counties are not required to pull prior cases and redetermine eligibility retroactively, should counties become aware of any cases where the pregnant minor had a share-of-cost (SOC) or a SOC and excess property due to parental income and resources, counties should redetermine eligibility using the parental income disregard under the new Income Disregard rules retroactive to January 1, 2002.

EXAMPLE 1: UNMARRIED PREGNANT MINOR LIVING WITH HER PARENTS

The family consists of an unmarried pregnant 17-year-old citizen woman living with her unmarried parents. The minor is not deprived and the family is not eligible for the Section 1931(b) or the Medically Needy (MN) program. The county has determined that she has a SOC in the Medically Indigent (MI) program. Assume the income is net nonexempt.

MI Program MFBU

<Pregnant Minor's Mother>	\$ 1,500
<Pregnant Minor's Father>	\$ 2,000
Pregnant Minor	\$ 500
Unborn	\$ <u>0</u>
Total	\$ 4,000
Limit for Four	\$ 1,100
SOC	\$ 2,900

Sneede rules apply since the minor has income.

Pregnant Minor's Mother = \$1,500 minus parental needs of \$600 = \$900
Pregnant Minor's Father = \$2,000 minus parental needs of \$600 = \$1400

There are no eligible members of MBU#1 because the mother and father have no linkage.

MBU #2

Pregnant Minor	\$ 500 + \$900 from Mother and \$1400 from Father
Unborn	\$ <u>0</u>
Total	\$2,800
Limit for two	\$ 550 (<i>Sneede</i> prorated needs for two children)
SOC	\$2,250

When the county evaluates the pregnant woman for the Income Disregard program using previous rules, she is not eligible due to her and her parent's income.

Income Disregard Program Rules

<Pregnant Minor's Mother>	\$ 1,500
<Pregnant Minor's Father>	\$ 2,000
Pregnant Minor	\$ 500
Unborn	\$ <u>0</u>
Total	\$ 4,000
Limit for Four	\$ 3,067

When the county uses the new parental income disregard provision, the pregnant minor is now eligible since only her income is used.

Parental Income Disregard Provision

Pregnant Woman	\$ 500
Unborn	\$ <u>0</u>
Total	\$ 500
Limit for two	\$2,020

The minor should be reported to the Medi-Cal Eligibility Data Systems (MEDS) using the usual secondary aid code of 44 for pregnancy-related services only. She will have a SOC in the MI program for nonpregnancy services and may be reported to MEDS with a primary aid code of 83. If she did not have satisfactory immigration status, she would be reported to MEDS with a secondary aid code of 48, with a primary aid code of either 58 or 5F.

EXAMPLE 2: 20-YEAR-OLD PREGNANT WOMAN IN HER LAST TRIMESTER LIVING WITH HER PARENTS AND THE UNBORN CHILD'S FATHER (BOYFRIEND)

A 20-year-old pregnant woman in her last trimester and her boyfriend are applying for Medi-Cal. Her parents are not requesting benefits. Since she is considered to be an adult for the Section 1931(b) program, she may apply on her own behalf. Assuming the unborn would be deprived if born, the county should evaluate her for that program first. Her 21 year-old unemployed boyfriend (father of unborn) is not eligible for this program until the baby is born since they have no other children. Assume the income is net nonexempt.

Section 1931(b)

Pregnant woman	\$ 900
Unborn	\$ 0
<Boyfriend>	\$ 0
Total	\$ 900
Limit for three	\$1,272

MN Program

Boyfriend \$0

The pregnant woman is eligible for the Section 1931(b) program. The boyfriend is eligible for the MN program until the baby is born. He may then be aided in the Section 1931(b) program.

Note: The parental income disregard provision had no impact in this scenario.

EXAMPLE 3: 18-YEAR-OLD PREGNANT WOMAN IN HER FIRST TRIMESTER LIVING WITH HER PARENTS AND HER UNBORN CHILD'S FATHER (BOYFRIEND).

This pregnant unemployed 18-year-old is not enrolled in school but is not eligible as an adult for the Section 1931(b) program because she is not in her last trimester of pregnancy. She and her parents should be then evaluated for the MI program because her father is employed and she is not deprived. The minor's parents are now in the Medical Family Budget Unit (MFBU) because she is considered a child in that program. The senior parents have no linkage. Assume the income is net nonexempt. The pregnant minor and her unborn are also in the MN MFBU with the unemployed boyfriend (second parent) to determine whether he is eligible.

MI Program

Pregnant Minor	\$1 ,000
Unborn	\$ 0
<Pregnant Minor's Father>	\$3,000
<Pregnant Minor's Mother>	\$ 500
Total	\$ 4,500
Limit for four	\$ 1,100
SOC	\$ 3,400

MN Program

<Pregnant minor>	\$ 1,000
Unborn	\$ 0
Boyfriend	\$ 0
Total	\$ 1,000
Limit for three	\$ 934
SOC	\$ 66

Since the pregnant minor has a SOC in the MI MFBU, Sneed rules apply. Sneed rules also apply to the MN MFBU when determining the boyfriend's eligibility because they are unmarried. He is eligible with zero SOC for the MN program

because the pregnant minor does not deem any income to him in the Sneede determination.

Pregnant Minor's Sneede Determination:

<Pregnant Minor's Father>	$\$3,000 - \$600 = \$2,400 \div 2 = \$1,200$
<Pregnant Minor's Mother>	$\$500 - \$600 = \$0$

Mini Budget Unit (MBU) No. 1

<Pregnant Minor's Father>	\$ 600
<Pregnant Minor's Mother>	<u>\$ 500 + \$1,200</u>
Total	\$2,300
Limit for two	\$ 934

MBU No. 2

Pregnant Minor	$\$1,000 + \$1,200$
<Unborn>	<u>\$ 0</u>
Total	\$ 2,200
Limit for two	\$ 550*
SOC	\$ 1,650

*Note: The unborn is counted as a child when determining the personal needs amount for a pregnant mother. The minor has a SOC in the MI program and is not eligible for the 100 Percent program or the Income Disregard Program using regular rules. She should be evaluated for the Income Disregard Program using the new parental income disregard rules.

Parental Income Disregard Provision

Pregnant Minor	\$1000
Unborn	\$ 0
Total	\$1000
Limit for two	\$2020

The pregnant minor is eligible for the Income Disregard program for her pregnancy related benefits using the new rules.

EXAMPLE 4: STEPPARENT HOUSEHOLD WITH PREGNANT MINOR AND HER BOYFRIEND (PARENT OF UNBORN)

A stepparent household consists of a married couple, the husband's separate unmarried 16-year-old pregnant minor, the minor's unemployed 17-year-old boyfriend (father of the unborn), and the wife's separate ten-year-old child. The entire household applies for Medi-Cal. They are evaluated for the Section 1931(b) program. The minor's boyfriend

(father of the unborn) is receiving unemployment benefits and is requesting Medi-Cal, but is not eligible for Section 1931(b) until the baby is born. Once the baby is born, the Section 1931(b) MFBU used to determine the boyfriend's eligibility will also include the minor mother as an ineligible member and the baby as an eligible member. Assume the income is net nonexempt.

Section 1931(b) MFBU No.1

Father	\$2,010
Stepmother	\$ 500
Pregnant minor	\$ 400
Unborn	\$ 0
Stepmother's ten-year-old	\$ 0
Total	\$2,910
Limit for five	\$1,795

Section 1931(b) MFBU No.2

<Boyfriend>	\$ 200
<Pregnant, minor>	\$ 400
<Unborn>	\$ 0
Total	\$ 600
Limit for three	\$1,272

No eligible persons in this MFBU

Since the family members in MFBU No. 1 are over the Section 1931(b) limit, Sneed rules apply. The boyfriend should be evaluated for the MN program until the baby is born. See his determination on Page 7.

Father $\$2,010 - \$749 = \$1,271 \div 2 = \630.50

Stepmother $\$500 - \$749 = \$0$

MBU No.1

Father	\$ 749
Stepmother	\$ 500 + \$631
Total	\$1,880
Limit for two	\$1,010

MBU No. 2

Pregnant minor	\$ 400 + \$631
Unborn	\$ 0
Total	\$ 1,031
Limit for two	\$ 1,010

MBU No.3

10-year-old	\$ 0
Limit	\$498

Only the ten-year-old in MBU No. 3 is eligible for Section 1931(b) in the first month. Evaluate the other family members for the MN program. The ten-year-old is not in the MN MFBU.

MN MFBU No. 1

Father	\$2,010
Stepmother	\$ 500
Pregnant minor	\$ 400
Unborn	\$ 0
Total	\$2,910
Limit for four	\$1,100
SOC	\$1,810

The pregnant minor has a SOC in the MN program. *Sneed* rules apply.

Father $\$2010 - \$600 = \$1410 \div 2 = \705 Stepmother $\$500 - \$600 = \$0 + \$705 = \$705$

MN MBU #1

Father	\$ 600
Stepmother	\$ 705
Total	\$1,305
Limit for two	\$ 934
SOC	\$ 371

MN MBU#2

Pregnant Minor	\$ 400 + \$705 = \$1105
Unborn	\$ 0
Total	\$ 1105
Limit for two	\$ 750
SOC	\$ 455

The father and stepmother have a SOC of \$371. Evaluate the pregnant minor for the Income Disregard program because she is not income eligible for the 100 Percent FPL program.

Income Disregard Program

<Father>	\$2,010
<Stepmother>	\$ N/A
Pregnant Minor	\$ 400
Unborn	\$ 0
<10-year-old>	\$ N/A
Total	\$2,410
Limit for five	\$3,590

The pregnant minor is eligible for the Income Disregard Program. There is no need to proceed to the Revised Income Disregard program. NOTE: If the county used the new parental income provision, the father, stepmother, and the 10 year-old sibling would not be included in MFBU. With respect to the boyfriend, he should be evaluated under the

MN program, since he is a person under age 21 and is also the parent of a deprived unborn; however, the boyfriend should be included as an ineligible member since he requested to be aided and was in the MN MFBU No. 2.

The second MN MFBU would consist of the ineligible pregnant minor, her unborn, and the eligible boyfriend (and father of the unborn) and any other children of the minor, if applicable.

MN MFBU No. 2

<Ineligible Pregnant Minor>	\$ 400
Unborn	\$ 0
Boyfriend (Father of the Unborn)	<u>\$ 200</u>
Total	\$ 600
Limit for three	\$ 934

The boyfriend is eligible in the MN program.

**EXAMPLE 5: 18-YEAR-OLD UNMARRIED PREGNANT WOMAN, BOYFRIEND
(FATHER OF THE UNBORN) SIBLINGS, AND HER PARENT**

The family consists of an unmarried pregnant 18-year-old woman who is in her last trimester of pregnancy and not enrolled in school, her employed boyfriend, his separate child with income, the pregnant woman's two siblings age 10 and 15, and the pregnant woman's parent. The senior parent receives \$1500 net nonexempt income. They all live in the home. The boyfriend and his separate child are receiving CalWORKs. Although the pregnant woman is an adult for purposes of the Section 1931(b) program, her unborn is not deprived because she and her boyfriend are fully employed and she is not an essential person. Therefore, she is not eligible for the Section 1931(b) program. She has net nonexempt earnings of \$3000. Evaluate her siblings, and her parent for the Section 1931(b) program. Sibling Number Two receives \$300 in Social Security income. The pregnant woman is an ineligible member of her mother's MFBU because her mother requested aid and the pregnant woman is not eligible to apply for Section 1931(b) in a separate case. Assume the income is net nonexempt.

Section 1931(b) Program

Pregnant Woman's Mother	\$ 1,500
Child No.1	\$ 0
Child No.2	\$ 300
<Pregnant 18-year-old>	\$ 3,000
<Unborn>	\$ 0
Total	\$ 4,800
Limit for five	\$ 1,795

The family is over the limit; therefore, Sneed rules apply. Pregnant woman's Mother
 $\$1,500 - \$749 = \$751 \div 3 = \250

MBU NO.1

MBU No. 2

MBU No. 3

Mother	\$749	Child No. 2	$\$300 + \250	<18-Year-Old>	$\$3,000 + \250
Child No.1	$\$0 + \250	Total	<u>\$550</u>	<unborn>	\$ 0
Total	<u>\$ 999</u>	Limit	\$505	Total	<u>\$3,250</u>
Limit	\$1010			Limit	\$ 835

The mother and child Number One are eligible for Section 1931(b).

Evaluate the remainder of the family for the MN program. The pregnant woman is a minor child for this program. No income from the senior mother is considered in the MN determination since she is eligible for Section 1931(b).

MN Program

Pregnant minor	\$3,000
Unborn	\$ 0
Sibling child No.2	<u>\$ 300</u>
Total	<u>\$3,300</u>
Limit for three	\$ 934
SOC	\$2,366

Sneed rules apply. Note: A pregnant woman's personal needs amount equals her own needs plus the unborn or more, e.g., twins.

MN MBU#1

Pregnant Minor	\$3,000
Unborn	\$ 0
Total	\$3,000
Limit for two	\$ 750
SOC	\$2,250

MN MBU #2

Child No. 2	\$300
Total	<u>\$300</u>
Limit	\$600

The sibling child Number Two is eligible for the MN program with no SOC. The pregnant minor has a \$2,250 SOC. Each MBU has a full income limit because the pregnant minor's mother is not in the MN MFBU. The pregnant minor's mother and child Number One are eligible for Section 1931(b) and are treated as though they were receiving California Work Opportunity and Responsibility to Kids.

Evaluate the pregnant minor for the 100 Percent program.

100 Percent Program

<Pregnant Minor's Mother>	\$1,500
<Child No.1>	\$ N/A
<Child No.2>	\$ N/A
Pregnant 18-year-old	\$3,000
Unborn	<u>\$ 0</u>
Total	\$4,500
Limit for five	\$1,795

The pregnant 18-year-old is not eligible for the 100 Percent program. Evaluate the pregnant woman for the Income Disregard program.

Income Disregard Program

<Pregnant Minor's Mother>	\$1,500
<Child No. 1>	\$ N/A
<Child No. 2>	\$ N/A
Pregnant 18-year-old	\$3,000
Unborn	<u>\$ 0</u>
Total	\$4,500
Limit for five	\$3,590

The pregnant woman is not eligible for the Income Disregard program using regular rules. Evaluate her for using the parental income disregard provision.

Parental Income Disregard Provision

Pregnant 18-year-old	\$ 3,000
Unborn	\$ 0
Total	\$ 3,000
Limit for two	\$ 2,020

The pregnant 18-year-old is not eligible using the parental income disregard provision. She will have a \$2,250 SOC in the MN program.

EXAMPLE 6: MARRIED PREGNANT 19-YEAR-OLD LIVING WITH HER PARENT

A married incapacitated pregnant 19-year-old living with her 21-year-old husband, their mutual three-year-old child and her parent, age 42. Because the 19-year-old is considered an adult for Section 1931(b), her mother is not included in the Section 1931(b) MFBU. Evaluate her family for Section 1931(b). Assume the income is net nonexempt.

Section 1931(b) MFBU

Pregnant Woman	\$ 750
Unborn	\$ 0
Spouse	\$ 2,000
Mutual Child	\$ 0
Total	\$ 2,750
Limit for four	\$ 1,534

Since the family failed the Section 1931(b) income test, evaluate them for the MN program to determine their SOC. The pregnant minor's parent is now included in this MFBU because the pregnant minor is considered a child for this program. The pregnant minor is deprived because her father is absent.

MN MFBU No.1

<Pregnant Minor's Parent>	\$ 3,000
Pregnant 19-year-old	\$ 750
Unborn	\$ 0
<Spouse>	\$ 2,000
<Mutual Child>	\$ 0
Total	\$ 5,750
Limit for five	\$ 1,259
SOC	\$ 4,491

MN MFBU No. 2

<Pregnant 19-Year-Old>	\$ 750
Unborn	\$ 0
Spouse	\$2,000
Mutual Child	\$ 0
Total	\$2,750
Limit for four	\$1,100
SOC	\$1,650

MFBU No. 3

Pregnant Minor's Parent	\$3,000
<Pregnant 19-Year Old>	\$ 750
Unborn	\$ N/A
Total	\$3,750
Limit for three	\$ 934
SOC	\$2,816

Note: *Sneed* rules would apply to MFBU No. 3 because the pregnant minor's parent has a SOC of \$2,816 and the 19-year-old has income. If the parent keeps her personal needs allowance of \$600 and deems the remainder to the pregnant minor, the pregnant minor's parent will be eligible for the MN program with no SOC.

Evaluate the pregnant woman and the child for the Percent programs.

Income Disregard Program

<Pregnant Minor's Parent>	\$3,000
Pregnant 19-Year-Old	\$ 750
Unborn	\$ 0
<Spouse>	\$2,000
<Mutual Child>	\$ 0
Total	\$5,750
Limit for five	\$3,590

133 Percent Program

<Pregnant Mother>	\$ 750
<Unborn>	\$ 0
<Father>	\$2,000
Mutual Child	\$ 0
Total	\$2,750
Limit for four	\$2,040

The mutual child is not eligible for the 133 Percent program. She and her father would have a SOC of \$1650. The child should be referred to Healthy Families (HF). The pregnant woman is not eligible for the Income Disregard program for her pregnancy-related services using regular Medi-Cal rules. Evaluate her using the parental income disregard provision rules.

Parental Income Disregard Provision

Pregnant 19-Year-Old	\$ 750
Unborn	\$ 0
<Spouse>	\$2,000
<Mutual Child>	<u>\$ 0</u>
Total	\$2,750
Limit for four	\$3,067

The pregnant woman is eligible for the Income Disregard program using the new parental income disregard rules; however, she has a \$4,491 SOC for her other services.

OTHER INFORMATION

Since no income from the pregnant minor's parent(s) is counted, if the pregnant minor's parent applies for her and provides the necessary information about the minor but refuses to provide his/her income or information about himself/herself, counties may make the determination without it. This sometimes occurs when the minor is married and living in the home of the senior parent because the parent considers the child to be an adult.

Counties may skip the regular Income Disregard Program rules if they choose and make the determination using the parental income disregard provision first unless it would be more beneficial to use the regular rules, e.g., the pregnant minor or her boyfriend/spouse have income, her parents have little income, or there are siblings in the home, which raises the family size and the income limit. The scenario in Example Four illustrates that situation.

For questions about this change, please contact Mr. John McDaniel, at (916) 552-9481 or JmcDanie@dhs.ca.gov. For questions concerning the Medi-Cal Minor Consent Services program, please contact Mr. Manuel Urbina at (916) 552-9521 or murbina@dhs.ca.gov.

Original signed by ☐ ☐

Richard Brantingham
Acting Chief
Medi-Cal Eligibility Branch